

National Aeronautics and Space Administration

**Office of the Administrator**  
Washington, DC 20546-0001



Reply to Attn of: Office of Human Capital Management

TO: All Senior Executive Service, Scientific and Professional, and Senior Level Employees

FROM: Associate Administrator

SUBJECT: 2014 Senior Executive Service (SES), Scientific and Professional (ST), and Senior Level (SL) Performance Review Process - Guidance Letter

The performance rating period for SES, ST, and SL employees ends on September 30, 2014. This letter provides guidance on the end of year performance appraisal process to ensure that all executive ratings are submitted to the Agency Office of Human Capital Management (OHCM) by October 10, 2014.

Last year, we implemented a new performance management system for SES, which required individual Executive Core Qualifications (ECQs) to be rated separately and placed an increased emphasis on leadership competencies than previous years. This resulted in 37 percent of NASA's SES and 52 percent of NASA's ST and SL employees receiving Distinguished ratings. This indicates that we are making meaningful distinctions in ratings and are reserving the highest rating level for those who significantly exceed performance expectations. It is expected that we use the same degree of rigor this year in assessing performance and assigning ratings.

For SES, each executive must be rated on each ECQ based on the standards set for the executive in his/her performance plan. Similarly, STs and SLs must be rated individually on Program/Project/Functional Objectives and Professional Competencies.

Executives' first line supervisors will assess their overall performance and make recommendations regarding ratings. As part of this assessment, Rating Officials will consider all available information that impacts overall performance, including leadership behaviors, accomplishments, results, and conduct.

Detailed rating instructions are included in the enclosures; however, below are several items requiring your particular attention.

**Supplemental Input:** Per NPR, 3435.1, NASA Performance Management System for the Senior Executive Service, ratings for executives who are assigned to one Executive Position Manager (EPM) but report functionally or programmatically to another EPM shall provide a written assessment from the concurring official, and the concurring official's assessment must be considered when determining the initial rating. Please obtain this input prior to your assessment, and factor this into the initial summary ratings and narratives.

**Center/HQ Performance Review Process:** Each Center, including HQ as a Center, must review all narratives and ratings prior to submitting to the Agency level. Executives' first line supervisors will make initial rating recommendations in the SES Performance Appraisal System (SES PAS). Center Performance Review Boards (PRBs) should then look across organizations to ensure meaningful and equitable distinctions in performance are made for the Center as a whole. Even though each individual will have a numeric rating, Centers should also provide their ratings list in priority order.

**Pre-PRB Meeting:** After completion of the Center/HQ review process, Centers/HQ must submit their proposed ratings to OHCM no later than **October 10**. We will have a pre-PRB meeting with all Center Directors and HQ OICs on **October 22** to review the ratings for each executive. After this meeting, Rating Officials should formally assign Initial Summary Ratings and have performance discussions with their executives. **As a reminder, ratings are not final until approved by the Administrator.**

**Pay Increases:** Pay increases will be discussed at the Agency pre-PRB meeting and will be based on performance rating per established guidelines.<sup>[1]</sup> Based on the guidelines, Centers should input proposed pay increases into the SES PAS along with proposed ratings. If a Rating Official wishes to propose a pay increase greater than 6 percent, a one-page justification must be submitted with the proposed rating. Only those employees receiving a rating of Distinguished may be nominated for a higher than guideline increase.

The justification should address the scope and impact of the position and the employee's performance, qualifications, and contributions to the Agency's goals which support payment of the proposed increase. The narrative shall be no more than one page in length and should be submitted to OHCM **no later than October 10**. The heading should read as follows:

**Proposed Out of Guidelines Pay Increase for (Name of Employee)**  
**Position Title**  
**The Center and/or Organization**  
**Current Salary**  
**Proposed Increase and Salary**

**Bonuses:** Bonuses will be discussed at the Agency pre-PRB meeting, so bonus recommendations are not needed. As such, it is extremely important that you make meaningful distinction in ratings for each executive, for each ECQ.

**Direct Reports:** Direct Reports to the Administrator, Associate Administrator, and Chief of Staff must also submit a two-page summary of leadership and organizational accomplishments to OHCM **no later than October 10**. Please remember to include the names of the executives responsible for each accomplishment.

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<sup>[1]</sup> For SES: Level 5 rating = 4-6% up to cap of tier level for position; Level 4 rating = 2-4% up to cap of tier level for position; Level 3 rating = up to 2% or cap of tier level for position. For ST/SL: Level 5 rating = 4% up to \$167,000; Level 4 rating = 2% up to \$167,000; Level 3 rating = 1% up to \$167,000.

**2014 Presidential Rank Award nominees:** The Agency should receive notification regarding Presidential Rank Award nominees by September 30, and we will notify you when we receive that information.

**2015 Performance Plans and Executive Development Plans (EDPs):** All SES, ST, and SLs must have completed plans **on or before October 31, 2014**. SES will complete plans in SES PAS and must develop an EDP as part of the performance planning process. STs and SLs will continue to use NASA Form 1725.

Detailed process information will be sent directly to your Human Resources Directors and Executive Resources contacts. Should you have any questions, please contact Veronica Marshall at [Veronica.Marshall@nasa.gov](mailto:Veronica.Marshall@nasa.gov) or (202) 358-0857.

Robert M. Lightfoot  
Chair, Performance Review Board

2 Enclosures

1. Rating Instructions
2. SES Performance Standards

## RATING INSTRUCTIONS

Our SES population and STs/SLs are operating under different systems. While there are many differences in these systems, we must still demonstrate strong ties between the individual and organizational performance of all employees. Raters must apply rigorous performance standards and ensure that ratings of level 5 – “Distinguished” for SES and “Outstanding” for STs/SLs are reserved for individuals who made truly distinguished contributions to the accomplishment of the Agency’s goals. The assignment of a performance rating should take into consideration the degree to which an individual accomplished his or her performance requirements and the degree to which those accomplishments contributed to agency goals. In addition to the two page accomplishments reports, appropriate information from the Agency’s Long Term Performance goals and Annual Performance Goals will be used as indicators of organizational and program performance. NASA Agency Performance information can be found at <http://www.nasa.gov/news/budget/index.html>.

Within an organization, the Rating Official should assess the relative performance of the individual within that organization, making distinctions in performance levels by the initial rating assigned. Distinguished/Outstanding ratings must be supported by clear evidence of achievements during the rating period, which demonstrate exceptional performance which results in *extraordinary impact on the achievement of the organization’s mission*.

### Indicators to make Differentiation in Ratings

#### **Thought Piece**

Think of a person who had a big year, took advantage of opportunity, and achieved results while demonstrating leadership competencies in a way that was observable and commendable.

These are the executives who should be rated **Level 5 - “Distinguished”**

Items to consider in making distinctions between Distinguished and Meritorious:

- Demonstrated consistent performance over entire performance period
- Observable change and forward progress are visibly evident
- Results have been substantial even when obstacles were encountered; ability to maintain poise and professionalism under pressure
- Noted as a skilled leader all around – peers, subordinates, and management---does not treat one group differently than another (i.e. individual is skilled at “managing up” but leads subordinates with the same integrity)
- Leadership and results are interrelated, it is expected that those recognized as Distinguished/Outstanding would exhibit excellence in all Critical Elements

To ensure that meaningful distinctions are made, PRB members will review each individual’s initial summary rating to determine if it is supportable and consistent with the organization’s overall performance. When a rating is found to be insupportable, a different rating might be recommended to the Administrator after an open dialogue with the rating official. Performance assessment narratives must provide an adequate justification, as they will provide the sole basis for the assessment of performance.

## SES Performance Criteria

Rating Officials will appraise and determine a rating level (Level 1 to 5) for each of the five critical elements (Leading Change, Leading People, Business Acumen, Building Coalitions, and Results Driven) established by using the performance standards level definitions for “Critical Elements” (see enclosure 3).

The assessment of the Results Driven element is a two-step process:

- 1) Assign individual ratings for each of the sub-elements (e.g., Distinguished, Meritorious, Successful, Minimally Satisfactory or Unsatisfactory).
- 2) Determine the Critical Element Rating for the Results Driven by using the following criteria:

Summary Rating	Requirement
Level 5 - Distinguished	Rated “Distinguished” for the majority of the sub-elements and no less than “Meritorious” for the other sub-elements and maintain 4.75 or higher threshold
Level 4 - Meritorious	Rated “Distinguished” or “Meritorious” for the majority of sub-elements and no less than “Successful” for the other sub-element
Level 3 - Successful	Rated at least “Successful” for all sub-elements but does not meet the criteria for “Meritorious”
Level 2 - Minimally Satisfactory	Rated “Minimally Satisfactory” for one or more sub-element (s)
Level 1 - Unsatisfactory	Rated “Unsatisfactory” for one or more sub-element(s)

Once the rating for each critical element is determined, the following point values will be assigned to the element ratings:

- Level 5 = 5 points
- Level 4 = 4 points
- Level 3 = 3 points
- Level 2 = 2 points
- Level 1 = 0 points

The derivation formula is calculated as follows:

- If any critical element is rated Level 1 (Unsatisfactory), the overall summary rating is Unsatisfactory. If no critical element is rated Level 1 (Unsatisfactory), continue to the next step.
- For each critical element, multiply the point value of the element rating by the weight assigned to that element and add the results for each of the five critical elements to come to a total score.
- Assign the initial summary rating using the ranges below:
  - 475-500 = Level 5-Distinguished
  - 400-474 = Level 4-Meritorious
  - 300-399 = Level 3-Successful

- 200-299 = Level 2- Minimally Satisfactory
- Any critical element rated Unsatisfactory

### **ST/SL Performance Criteria**

Performance ratings for ST/SL employees should be documented using NASA Form 1725. Each Center is required to submit the attached Pre-Review spreadsheet for ST and SL employees. Rating Officials will appraise and determine a rating level (Level 1 to 5) for each of the two critical elements. The rating scheme weight for each Critical Element is as follows:

- Element 1: Program/Project/Functional Objectives - 60 percent of the summary rating
- Element 2: Professional Stature and Competencies - 40 percent of the summary rating

The weight factor times the rating level will determine the Summary Rating. The maximum weighted score is 5.0.

- Assign the initial summary rating using the ranges below:
  - 4.6-5.0 = Level 5-Outstanding
  - 4.0-4.5 = Level 4-Highly Successful
  - 3.0-3.9 = Level 3-Fully Successful
  - Any element rated “Minimally Satisfactory” and none rated “Unsatisfactory” = Level 2 – Minimally Satisfactory
  - Any critical element rated Unsatisfactory = Level 1-Unsatisfactory

## **Performance Standards Level Definitions for Critical Elements – SES**

The performance standard for each critical element is specified below.

**Level 5:** The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide. This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way. Performance may be demonstrated in such ways as the following examples:

- Overcomes unanticipated barriers or intractable problems by developing creative solutions that address program concerns that could adversely affect the organization, agency, or Government.
- Through leadership by example, creates a work environment that fosters creative thinking and innovation; fosters core process re-engineering; and accomplishment of established organizational performance targets.
- Takes the initiative to identify new opportunities for program and policy development and implementation or seeks more opportunities to contribute to optimizing results; takes calculated risks to accomplish organizational objectives.
- Accomplishes objectives even under demands and time pressure beyond those typically found in the executive environment.
- Achieves results of significant value to the organization, agency, or Government.
- Achieves significant efficiencies or cost-savings in program delivery or in daily operational costs of the organization.

**Level 4:** The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable. Performance may be demonstrated in such ways as the following:

- Advances progress significantly toward achieving one or more strategic goals.
- Demonstrates unusual resourcefulness in dealing with program operations or policy challenges.
- Achieves unexpected results that advance the goals and objectives of the organization, agency, or Government.

**Level 3:** The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-

quality results based on measures of quality, quantity, efficiency, and/or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position. Performance may be demonstrated in such ways as the following:

- Seizes opportunities to address issues and effects change when needed.
- Finds solutions to serious problems and champions their adoption.
- Designs strategies leading to improvements.

**Level 2:** The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.

**Level 1:** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.